

## Small Business Administration

## § 108.50

### Subpart K—NMVC Company's Noncompliance With Terms of Leverage

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#### COMPUTATION OF NMVC COMPANY'S CAPITAL IMPAIRMENT

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108.1840 Computation of NMVC Company's Capital Impairment Percentage.

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AUTHORITY: 15 U.S.C. 689–689q.

SOURCE: 66 FR 28609, May 23, 2001, unless otherwise noted.

### Subpart A—Introduction to Part 108

#### § 108.10 Description of the New Markets Venture Capital Program.

The New Markets Venture Capital (“NMVC”) Program is a developmental venture capital program for the purpose of promoting economic development and the creation of wealth and job opportunities in low-income geographic areas and among individuals living in such areas. SBA selects and then enters into participation agree-

ments with selected newly formed venture capital companies, and provides leverage in the form of debenture guarantees to such companies to allow them to make equity capital investments in smaller enterprises located in low-income geographic areas. SBA also awards grants to such companies and to Specialized Small Business Investment Companies so that they can provide operational assistance to such smaller enterprises in connection with such investments.

#### § 108.20 Legal basis and applicability of this part 108.

The regulations in this part implement Part B of Title III of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661 et seq.). All NMVC Companies must comply with all applicable SBA regulations, accounting guidelines and valuation guidelines for NMVC Companies, available from SBA.

#### § 108.30 Amendments to Act and regulations.

A NMVC Company is subject to all provisions of the Act and parts 108 and 112 of title 13 of the Code of Federal Regulations.

#### § 108.40 How to read this part 108.

(a) *Center headings.* All references in this part to SBA forms, and instructions for their preparation, are to the current issue of such forms (available from Investment Division, SBA). Center headings are descriptive and are used for convenience only. They have no regulatory effect.

(b) *Capitalizing defined terms.* Terms defined in § 108.50 have initial capitalization in this part 108.

(c) *“You.”* The pronoun “you” as used in this part 108 means a NMVC Company unless otherwise noted.

### Subpart B—Definition of Terms Used in This Part 108

#### § 108.50 Definition of terms.

The following definitions apply to this part 108:

*Act* means the Small Business Investment Act of 1958, as amended (15 U.S.C. 661 et seq.).